



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

September 1, 2020

The Honorable Anthony G. Brown
U.S. House of Representatives
1323 Longworth House Office Building
Washington, DC 20515

Dear Congressman Brown:

Thank you for your letter regarding the Commission's Rural Digital Opportunity Fund. Closing the digital divide is my top priority. I have seen for myself what affordable high-speed Internet access can do for a community—for its families, its schools, its hospitals, its farms, its businesses—as well as the impact of its absence.

It is imperative that the Universal Service Fund support sustainable, future-proofed networks that will support tomorrow's broadband applications, as well as today's, and that we stretch our limited Universal Service Fund dollars as far as we can. That's why, when the Commission adopted final rules for the \$20.4 billion Rural Digital Opportunity Fund last January, we established a two-phase reverse auction that will provide up to \$16 billion in universal service support for up to gigabit service to as many as 10.4 million unserved Americans. Phase I will target wholly unserved census blocks—those areas where no one disputes that there is no fixed broadband service that meets the FCC's minimum standard—in order to make sure that those areas get service as quickly as possible. Those are 10.4 million Americans that are missing out on digital opportunity and the economic, educational, healthcare, civic, and social benefits it brings. The current pandemic has highlighted the impact of the digital divide more starkly than ever, and that is why it is unjust to willfully leave those 10.4 million rural Americans who we *know* are unserved on the wrong side of the digital divide while we try to locate every single American that lacks broadband. Waiting is simply not an option for the unserved. Then, Phase II will make available at least \$4.4 billion to fill in the remaining coverage gaps by supporting networks that will serve partially unserved census blocks that will be identified in the Commission's ongoing Digital Opportunity Data Collection proceeding, along with areas that did not have a winning bidder in Phase I.

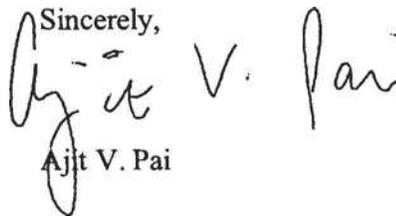
In order to ensure that taxpayer funding is not spent wastefully or inefficiently, it is critical to avoid overbuilding existing broadband networks. To that end, in March the Commission's Wireline Competition Bureau released a list of census blocks and a map of areas that were deemed preliminarily eligible for the Rural Digital Opportunity Fund Phase I auction, based on the most recent Commission data. The Bureau then commenced a limited challenge process that gave parties the opportunity to identify census blocks that have subsequently become served with voice and broadband services at speeds of 25/3 Mbps or better, and areas where there is already an enforceable commitment for a service provider to deploy 25/3 Mbps broadband in connection with a state or federal broadband subsidy program.

The Commission has long supported other state and federal efforts to close the digital divide, and our staff continue to engage with states whenever possible to coordinate federal and state broadband deployment funding. Indeed, the very first item I circulated as Chairman was an order to partner with the state of New York to facilitate the Empire State's efforts to get more Americans connected. But the question we faced with the Rural Digital Opportunity Fund was a different one, and the basic principle we followed is simple: If a service provider already has been given funding (federal and/or state) and is obligated (by federal and/or state law) to serve a specific area with at least 25/3 Mbps broadband, the FCC is not going to give yet more taxpayer funding to deploy a network in that area. That would be an irresponsible use of limited taxpayer dollars, because we would end up either paying a second provider to deploy broadband in an area where the federal or state government had already funded a different provider or giving a second-bite windfall to corporations that should not be paid for the same work twice. Either outcome would be at the expense of less funding being directed to areas where broadband will not be deployed without support.

Four states—Vermont, Nebraska, Missouri, and Indiana—identified areas where they were funding deployment of 25/3 Mbps broadband. Additionally, 30 service providers identified areas where they were already receiving support from state broadband programs. If a state hadn't already issued a formal funding commitment, that area was not excluded from the Rural Digital Opportunity Fund Phase I Auction eligible areas. Given our goal not to duplicate funding targeted to a particular area, if a service provider has state-based funding and a commitment to deploy 25/3 Mbps or better service in one area, it cannot receive FCC funding to deliver similar service to that same area. But it would still be eligible to participate in the Rural Digital Opportunity Fund in *other* areas in the state that are unserved and not covered by a funding commitment.

In total, fewer than 1% of the census blocks initially deemed eligible for the Rural Digital Opportunity Fund Phase I auction were removed due to state broadband funding programs (for Maryland, only 421 locations were removed due to such programs—40,406 remain eligible), so this restriction had an extremely limited impact on the areas eligible for the auction that will begin in October.

Please let me know if I can be of any further assistance.

Sincerely,

Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
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OFFICE OF
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September 1, 2020

The Honorable Andy Harris
U.S. House of Representatives
2334 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Harris:

Thank you for your letter regarding the Commission's Rural Digital Opportunity Fund. Closing the digital divide is my top priority. I have seen for myself what affordable high-speed Internet access can do for a community—for its families, its schools, its hospitals, its farms, its businesses—as well as the impact of its absence.

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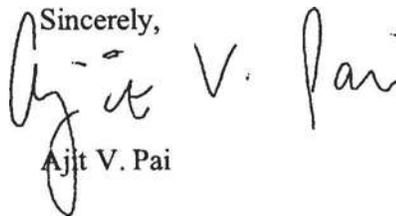
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September 1, 2020

The Honorable C.A. Dutch Ruppertsberger
U.S. House of Representatives
2206 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Ruppertsberger:

Thank you for your letter regarding the Commission's Rural Digital Opportunity Fund. Closing the digital divide is my top priority. I have seen for myself what affordable high-speed Internet access can do for a community—for its families, its schools, its hospitals, its farms, its businesses—as well as the impact of its absence.

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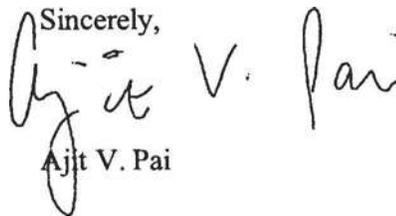
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September 1, 2020

The Honorable David Trone
U.S. House of Representatives
1213 Longworth House Office Building
Washington, DC 20515

Dear Congressman Trone:

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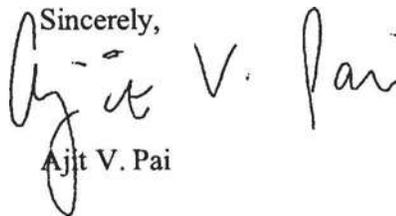
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OFFICE OF
THE CHAIRMAN

September 1, 2020

The Honorable Jamie Raskin
U.S. House of Representatives
412 Cannon House Office Building
Washington, DC 20515

Dear Congressman Raskin:

Thank you for your letter regarding the Commission's Rural Digital Opportunity Fund. Closing the digital divide is my top priority. I have seen for myself what affordable high-speed Internet access can do for a community—for its families, its schools, its hospitals, its farms, its businesses—as well as the impact of its absence.

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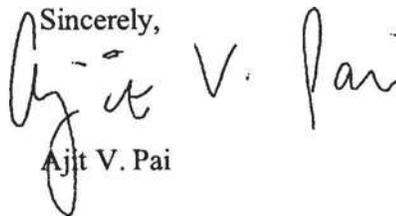
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September 1, 2020

The Honorable John Sarbanes
U.S. House of Representatives
2370 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Sarbanes:

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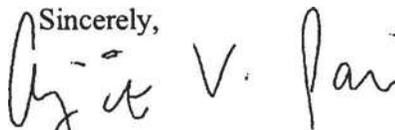
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September 1, 2020

The Honorable Steny H. Hoyer
U.S. House of Representatives
1705 Longworth House Office Building
Washington, DC 20515

Dear Congressman Hoyer:

Thank you for your letter regarding the Commission's Rural Digital Opportunity Fund. Closing the digital divide is my top priority. I have seen for myself what affordable high-speed Internet access can do for a community—for its families, its schools, its hospitals, its farms, its businesses—as well as the impact of its absence.

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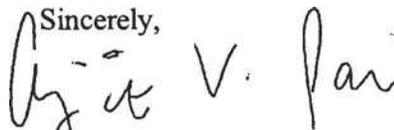
In order to ensure that taxpayer funding is not spent wastefully or inefficiently, it is critical to avoid overbuilding existing broadband networks. To that end, in March the Commission's Wireline Competition Bureau released a list of census blocks and a map of areas that were deemed preliminarily eligible for the Rural Digital Opportunity Fund Phase I auction, based on the most recent Commission data. The Bureau then commenced a limited challenge process that gave parties the opportunity to identify census blocks that have subsequently become served with voice and broadband services at speeds of 25/3 Mbps or better, and areas where there is already an enforceable commitment for a service provider to deploy 25/3 Mbps broadband in connection with a state or federal broadband subsidy program.

The Commission has long supported other state and federal efforts to close the digital divide, and our staff continue to engage with states whenever possible to coordinate federal and state broadband deployment funding. Indeed, the very first item I circulated as Chairman was an order to partner with the state of New York to facilitate the Empire State's efforts to get more Americans connected. But the question we faced with the Rural Digital Opportunity Fund was a different one, and the basic principle we followed is simple: If a service provider already has been given funding (federal and/or state) and is obligated (by federal and/or state law) to serve a specific area with at least 25/3 Mbps broadband, the FCC is not going to give yet more taxpayer funding to deploy a network in that area. That would be an irresponsible use of limited taxpayer dollars, because we would end up either paying a second provider to deploy broadband in an area where the federal or state government had already funded a different provider or giving a second-bite windfall to corporations that should not be paid for the same work twice. Either outcome would be at the expense of less funding being directed to areas where broadband will not be deployed without support.

Four states—Vermont, Nebraska, Missouri, and Indiana—identified areas where they were funding deployment of 25/3 Mbps broadband. Additionally, 30 service providers identified areas where they were already receiving support from state broadband programs. If a state hadn't already issued a formal funding commitment, that area was not excluded from the Rural Digital Opportunity Fund Phase I Auction eligible areas. Given our goal not to duplicate funding targeted to a particular area, if a service provider has state-based funding and a commitment to deploy 25/3 Mbps or better service in one area, it cannot receive FCC funding to deliver similar service to that same area. But it would still be eligible to participate in the Rural Digital Opportunity Fund in *other* areas in the state that are unserved and not covered by a funding commitment.

In total, fewer than 1% of the census blocks initially deemed eligible for the Rural Digital Opportunity Fund Phase I auction were removed due to state broadband funding programs (for Maryland, only 421 locations were removed due to such programs—40,406 remain eligible), so this restriction had an extremely limited impact on the areas eligible for the auction that will begin in October.

Please let me know if I can be of any further assistance.

Sincerely,

Ajit V. Pai